



CITY OF EASTVALE

Budget Workshop Goal Setting Session

March 9, 2015



Workshop Agenda

- Introduction
- Historical Snapshot
- Current Fiscal Situation
- Financial Forecast
- Public Safety
- Prioritization of Services
- Discussion





CITY OF EASTVALE

Introduction

March 9, 2016



Introduction

City Council Members



Ike Bootsma
Mayor



Joseph Tessari
Mayor Pro Tem



Bill Link
Councilmember



Clint Lorimore
Councilmember



Adam Rush
Councilmember



CITY OF EASTVALE

Introduction

Commissioners

Planning

Larry Oblea, Chairman

Howard Feng, Vice-Chairman

Bill VanLeeuwen

Karen Patel

Daryl Charlson

Public Safety

Chris Hook, Chairman

Anwer Khan, Vice-Chairman

Christian DeCosta

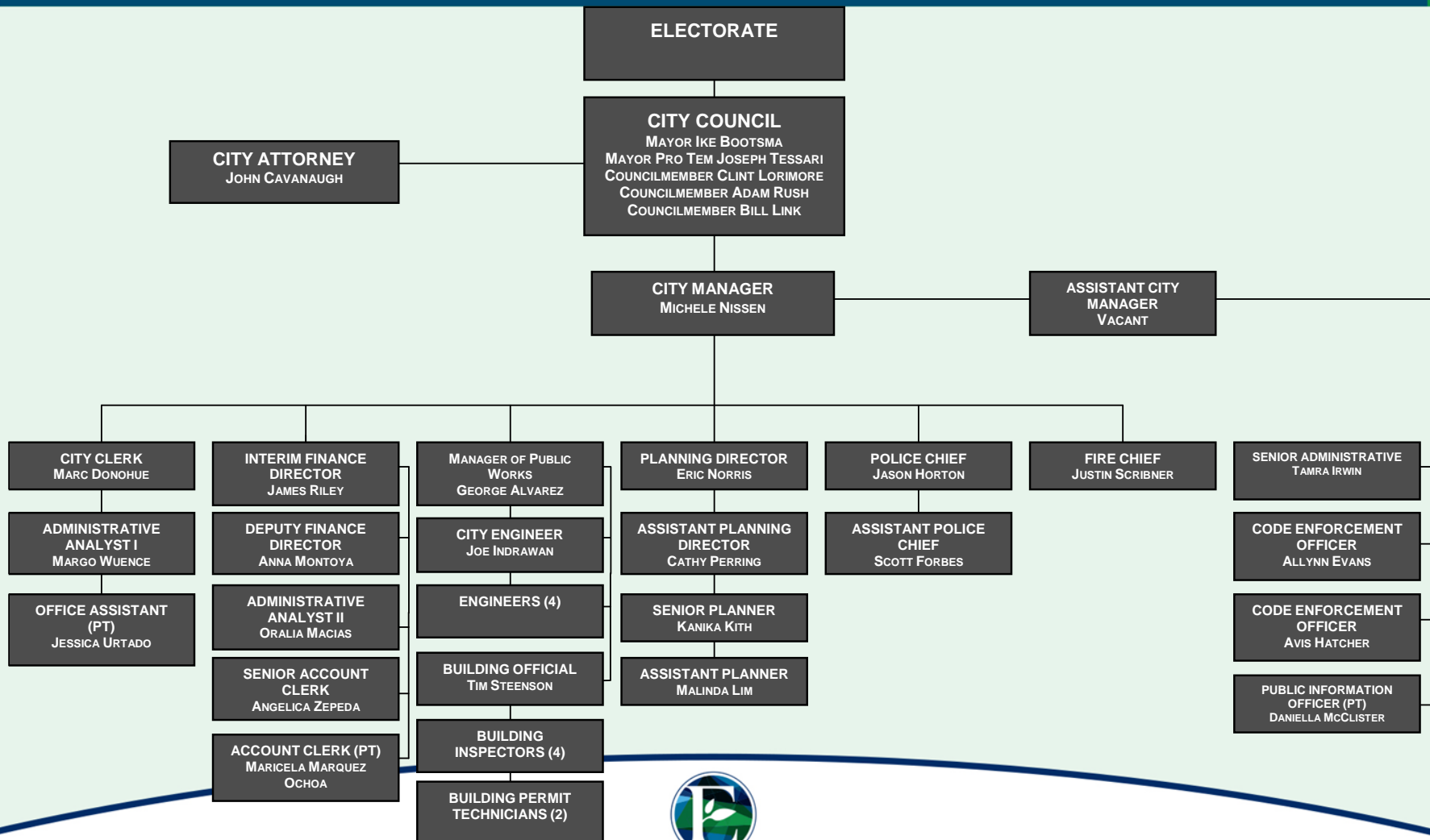
David Flores

Sean Parilla



Introduction

Organizational Chart



Introduction

Current Community Profile

- Population: 60,633 (up 2.5% from 2014/15)
- Median Age: 30.8
- Number of Households: 14,692
- Median Household Income: \$107,445
- Median Home Price: \$480,000 (up 1.05 % from 2014-HDL)
- Unemployment Rate: 4.1% (Riverside County 6.1%-EDD)





CITY OF EASTVALE

Historical Snapshot

March 9, 2015



Historical Snapshot

<u>City History</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Population	47,581	54,303	55,602	57,266	60,633
City Employees	5	6	8.75	10.75	10.75
Contract Staff	12	12	16	17	18
Sworn Officers	23	23	23	25	26
Firefighters/day	3	3	3	3.5	5
Building Permits Issued	968	1,509	2,105	2,168	2,432
Operating Budget (millions)	\$2.9*	\$10.4	\$12.0	\$14.1	\$15.2
Reserves (millions)	\$4.0	\$7.3	\$13.3	\$16.8	\$22.0

*9 month fiscal year based on Incorporation Comprehensive Fiscal Analysis

Historical Snapshot

Motor Vehicle License Fee Revenue Estimates Fiscal Years Ending 2011-2016

<u>Fiscal Year</u>	<u>Status</u>	<u>Population Base</u>	<u>Allocation %</u>	<u>Allocation Population</u>	<u>Estimated Revenue</u>	<u>Per Capita</u>
2010-11	Received	47,581	150%	71,372	\$ 3,214,906	45.04
2011-12	Loss	54,303	140%	76,024	\$ 3,426,602	45.07
2012-13	Restored	55,602	130%	72,283	\$ 3,392,964	46.94
2013-14	Restored	57,266	120%	68,719	\$ 3,297,344	47.98
2014-15	Restored	60,633	110%	66,696	\$ 3,088,349	46.30
2015-16	Restored	60,633	100%	60,633	\$ 2,919,661	48.15

Total VLF Loss = \$16,124,920

Ongoing loss of \$2.9 million/year of property tax in lieu of VLF

Historical Snapshot

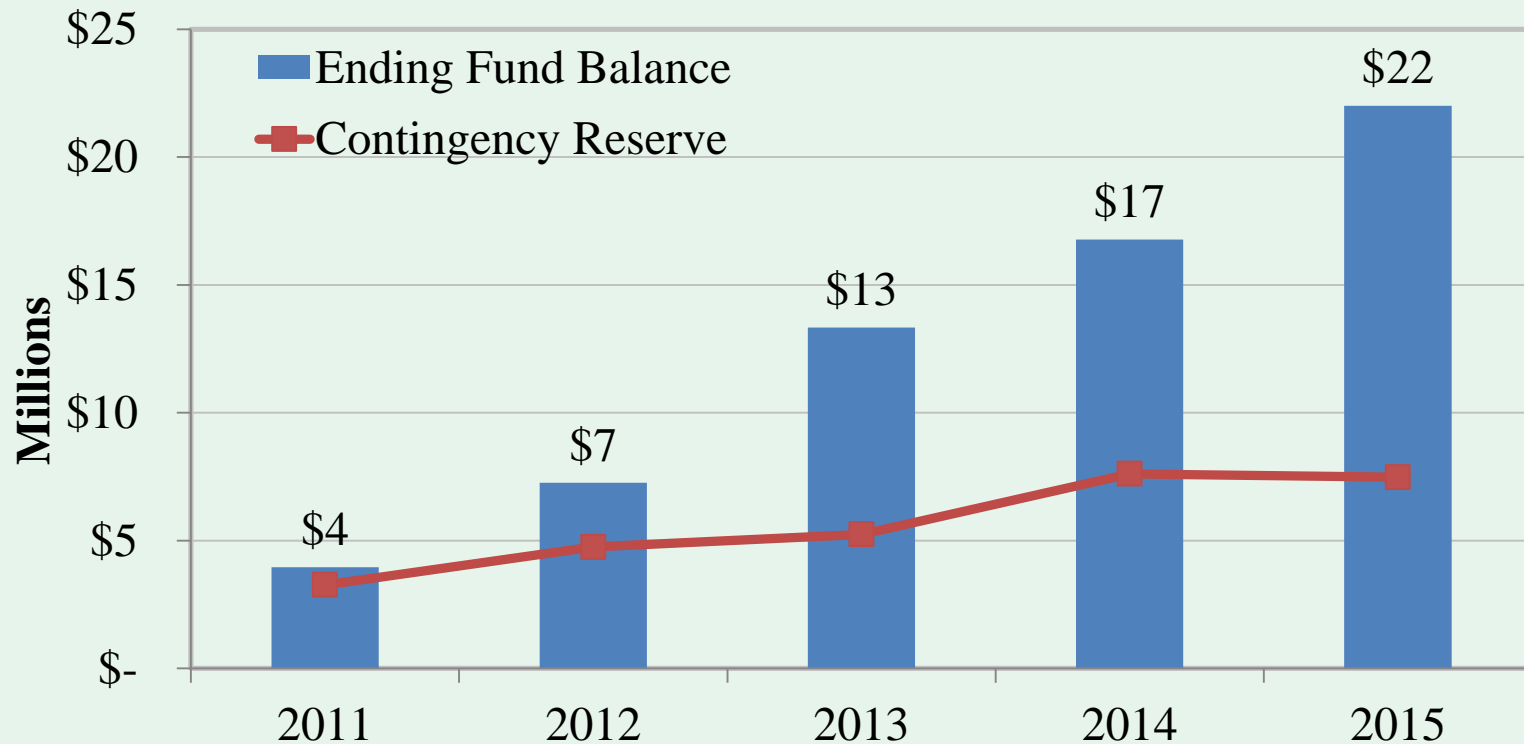
General Fund Historical Perspective

- Strong fiscal management from City Council
- Conservative budgeting approach year over year
- Accumulation of resources for future investment in the community (facilities, infrastructure, public safety)
- Leveraging technology in innovative ways to bridge minimal staff and increase efficiency



Historical Snapshot

General Funds – Available Reserves



Historical Snapshot



Accolades

- Made 2014 Best Places to Live in the United List (Money Magazine)
- #11 for Best Places to be Rich and Single (Money Magazine)
- #2 on 2015's Best Cities for California Families (Wallethub.com)
- #1 for Education, Health and Safety (Wallethub.com)
- #24 Safest Cities in California 2016 (backgroundcheck.org)



Historical Snapshot

Strategic Plan Goals

1. Establish a solid fiscal foundation for the City for the present and for the future
2. Optimize the City's economic development potential in order to bring in high quality businesses to attain a balance of jobs and sales tax revenue
3. Maintain an excellent level of public safety
4. Provide high quality public facilities and infrastructure



Historical Snapshot



Strategic Plan Goals – Objectives Achieved:

1. Establish a solid fiscal foundation for the City
 - Adopted a balanced budget every year since incorporation
 - Implemented a land management system, new financial system, records management system, service request E-Citizen App
 - Received GFOA award for excellence in financial reporting 4 consecutive years
 - Adopted fee schedule based on cost recovery user fee study
 - Successfully negotiated Revenue Neutrality Agreement, reducing the City debt obligations to the County



Historical Snapshot

Strategic Plan Goals – Objectives Achieved:

2. Optimize the City's economic development potential
 - Approved Goodman/Bircher project
 - Researched potential for major medical complex
 - Developing a dedicated ED & Shop Eastvale website
 - Partnered with Small Business Development Center (3 yrs)
 - Established an economic development committee



Historical Snapshot

Strategic Plan Goals – Objectives Achieved:

3. Maintain an excellent level of public safety
 - Construction underway for Fire Station #2
 - Authorized addition of Motorcycle Officer
 - Purchased a new fire truck & added new Medic Unit
 - Fire Inspector was added in March 2014 (position shared with Norco)



Historical Snapshot

Strategic Plan Goals – Objectives Achieved:

4. Provide high quality public facilities and infrastructure
 - Completed construction of Hellman Avenue
 - Commenced design for new City Hall
 - Negotiated right-of-way to improve Archibald/Limonite intersection
 - Formed a library subcommittee to pursue possible sites for consolidation of both City Hall and City Library
 - Completed Bikeway Master Plan



Historical Snapshot

2012

- Adopted First Eastvale General Plan
- Launched City website
- Established non-profit Eastvale Community Foundation
- Adopted Development Impact Fee (will help fund City Hall construction)
- Implemented business registration program
- Launched social media sites (Facebook/Twitter)
- Established code enforcement services
- Dedicated Eastvale's first fire station

2013

- Adopted First Eastvale Zoning Code
- Adopted Citywide Design Guidelines
- Adopted Entryway Master Plan
- Upgraded a new financial software system
- Launched Instragram site
- Adopted a new fee schedule based on User Fee Study



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Historical Snapshot

2014

- Renegotiated Revenue Neutrality Agreement with county
- Completed city's strategic plan
- Approve Goodman Commerce Center specific plan
- Added fire safety specialist position
- Adopted residential rental registration ordinance
- Implemented small business development program
- Implemented "Shop Eastvale" program
- Adopted foreclosure registration ordinance
- Increased patrol coverage by 10 hours per day
- Acquired land for 2nd fire station
- Added 2 person medic squad
- Launch E-Citizen App



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Historical Snapshot

2015

- Approved Chandler Area Vision Plan
- Approved Leal Specific Plan
- Adopted water conservation ordinance
- Added a motorcycle officer position
- Purchased new fire truck
- Implemented a new land management software solution
- Broke ground for 2nd fire station
- Commenced design for City Hall
- Formed Library Subcommittee
- Contracted with an asset manager to maximize investment revenue



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Historical Snapshot

Completed Projects:

Walters St Sidewalk Restoration
Archibald Sidewalk & ADA Ramp
Chandler St Sidewalk
Hellman Ave Reconstruction
Schleisman Rd Resurfacing
Archibald Slurry Seal



Under Construction:

Hamner Ave Signal Synchronization
Hamner Ave Resurfacing (Spring)
Milliken Ave Resurfacing (Spring)
River Rd Reconstruction
Chandler St Resurfacing
Fire Station #2
Flashing Speed Signs near Schools



Historical Snapshot

Future Projects

- New Traffic Signal – Sumner @ 65th St. (Dec 2016)
- Limonite @ I-15 Interchange (Dec 2018)
- Archibald Ave Widening - Limonite to north City Limits (Summer 2017)
- Storm Drain Facilities (Winter 2016)
- Residential Slurry Seal (Summer 2016)
- City Hall/Library





CITY OF EASTVALE

Current Fiscal Situation

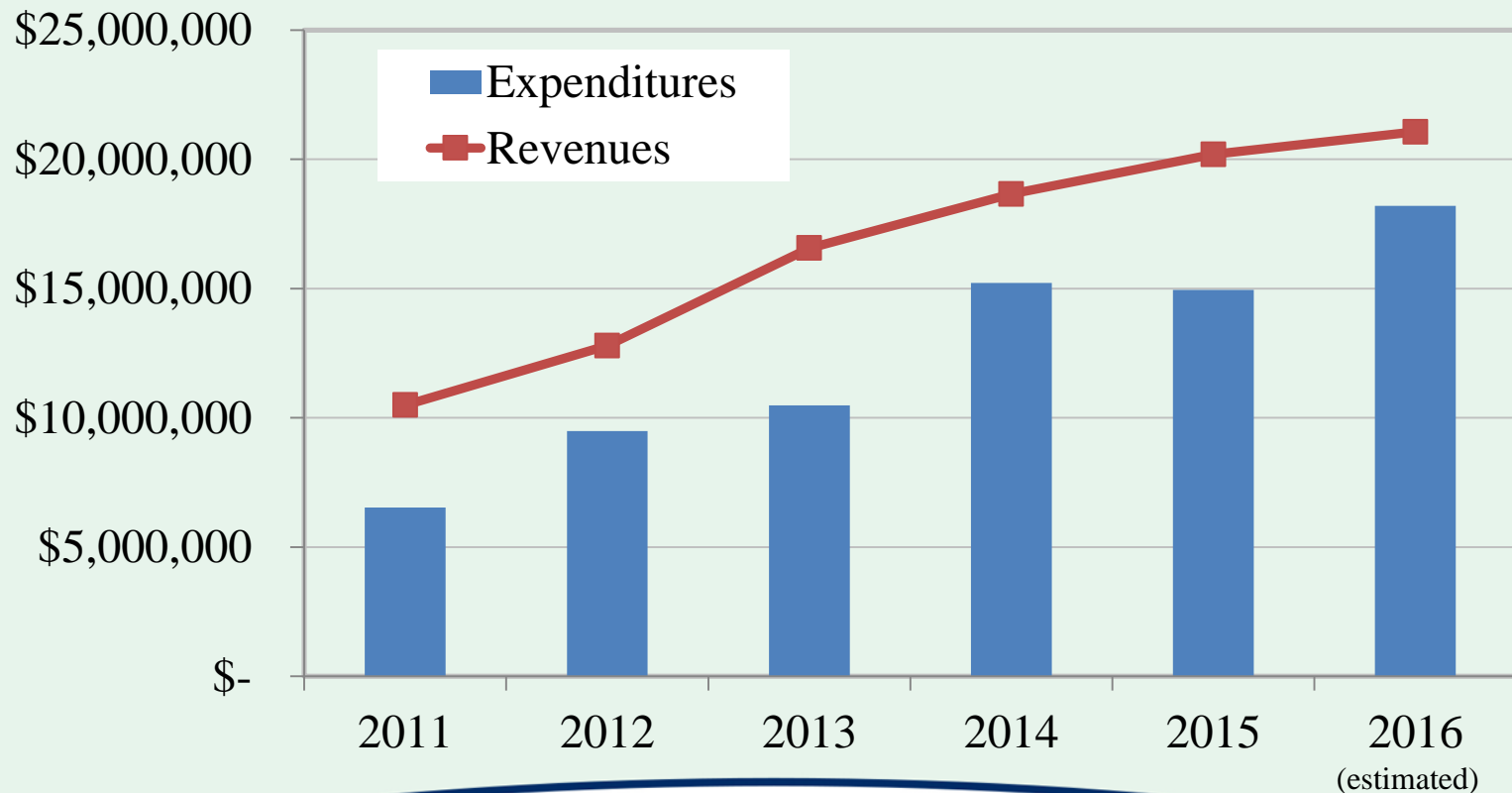
March 9, 2015



Current Fiscal Situation

Fiscal Year 2015/16 Estimates

General Funds – Revenue & Expenditure Trend






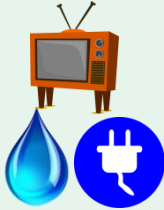



Current Fiscal Situation

Fiscal Year 2015/16 Estimates

General Fund Revenues

- General Fund serves as City's primary operating fund
- Revenue comes primarily from various taxes (81%)

Where the Money Comes From

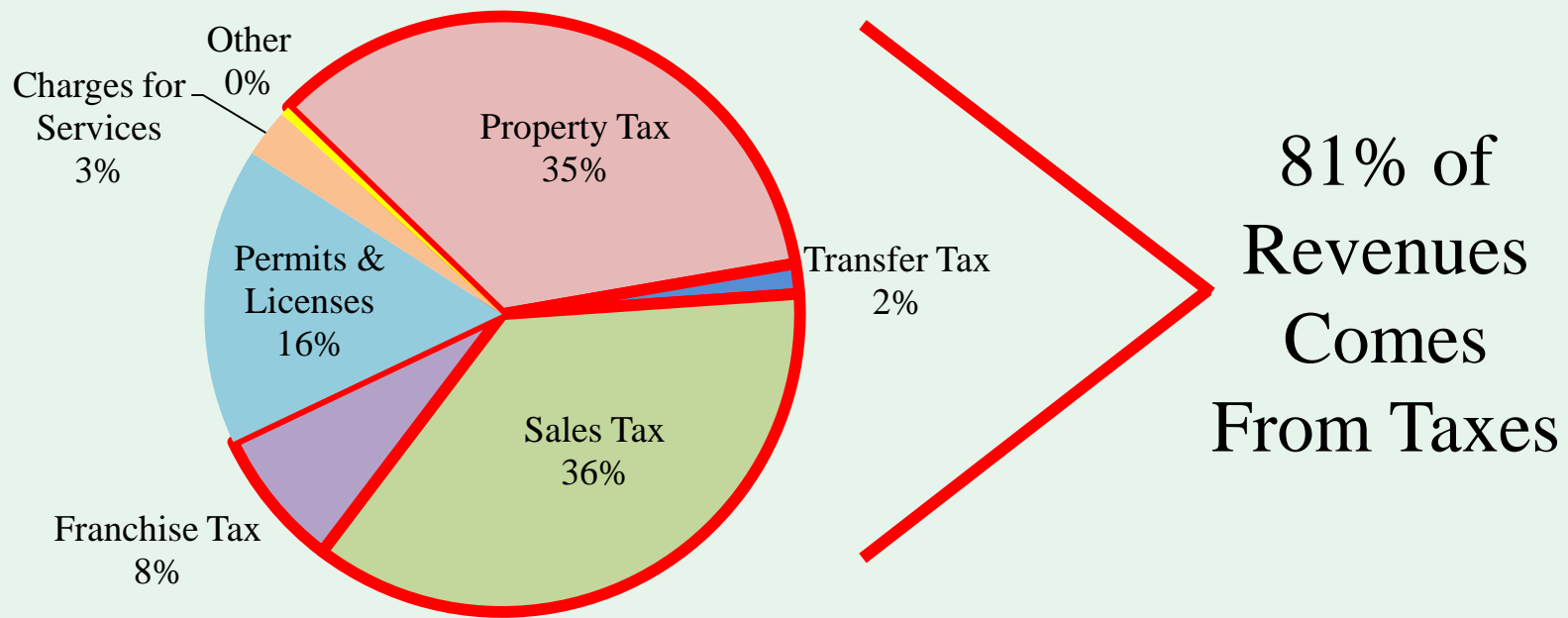
						
Property Tax*	Transfer Tax	Sales Tax	Franchise Tax	Permits & Licenses	Charges for Services	Other
\$7.4 mil	\$344,000	\$7.6 mil	\$1.6 mil	\$3.4 mil	\$555,000	\$102,000
35%	2%	36%	8%	16%	2.5%	0.5%

*includes general and fire property tax

Current Fiscal Situation

Fiscal Year 2015/16 Estimates

General Fund Revenues



General Funds Revenue = \$21,061,532



CITY OF EASTVALE

Current Fiscal Situation

Fiscal Year 2015/16 Estimates

Understanding Sales Tax

- 2015 Riverside County Sales Tax Rate = 8.00%
- \$1 purchase = \$.08 Sales Tax



4 1/4 cents to State of California



K-12/Community Colleges
Education Protection (exp12/31/16)



2 1/4 cents to Riverside County



Public Safety
Transportation
Mental Health/Welfare



1/2 cent to City (Measure A)



Transportation (restricted-expires 2039)



1 cent to City



City Services



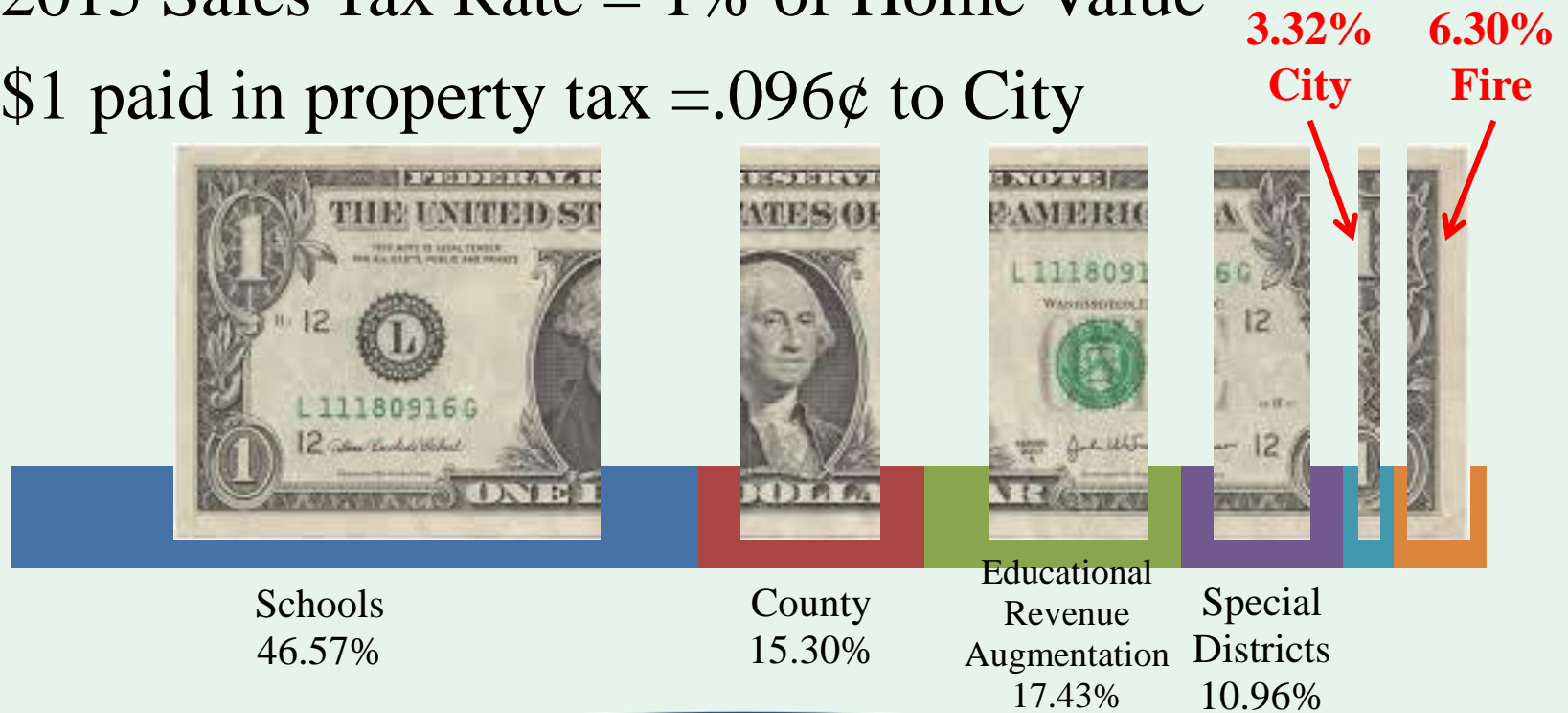
CITY OF EASTVALE

Current Fiscal Situation

Fiscal Year 2015/16 Estimates

Understanding Property Tax

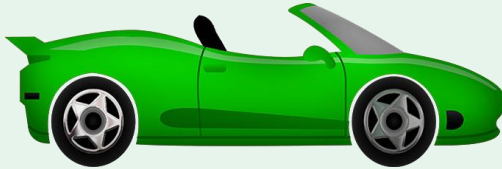
- 2015 Sales Tax Rate = 1% of Home Value
- \$1 paid in property tax = .096¢ to City



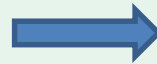
Current Fiscal Situation

Fiscal Year 2015/16 Estimates

Sales & Property Tax Example



New Car = \$40,000



8% Sales Tax = \$3,200

State = \$1,700

County = \$900

City = \$400

Measure A = \$200 (Restricted)



Assessed Value = \$400,000



1% Property Tax = \$4,000

County = \$617

Schools = \$1,863

Special Districts = \$438

Other = \$697

City = \$133

City Fire = \$252

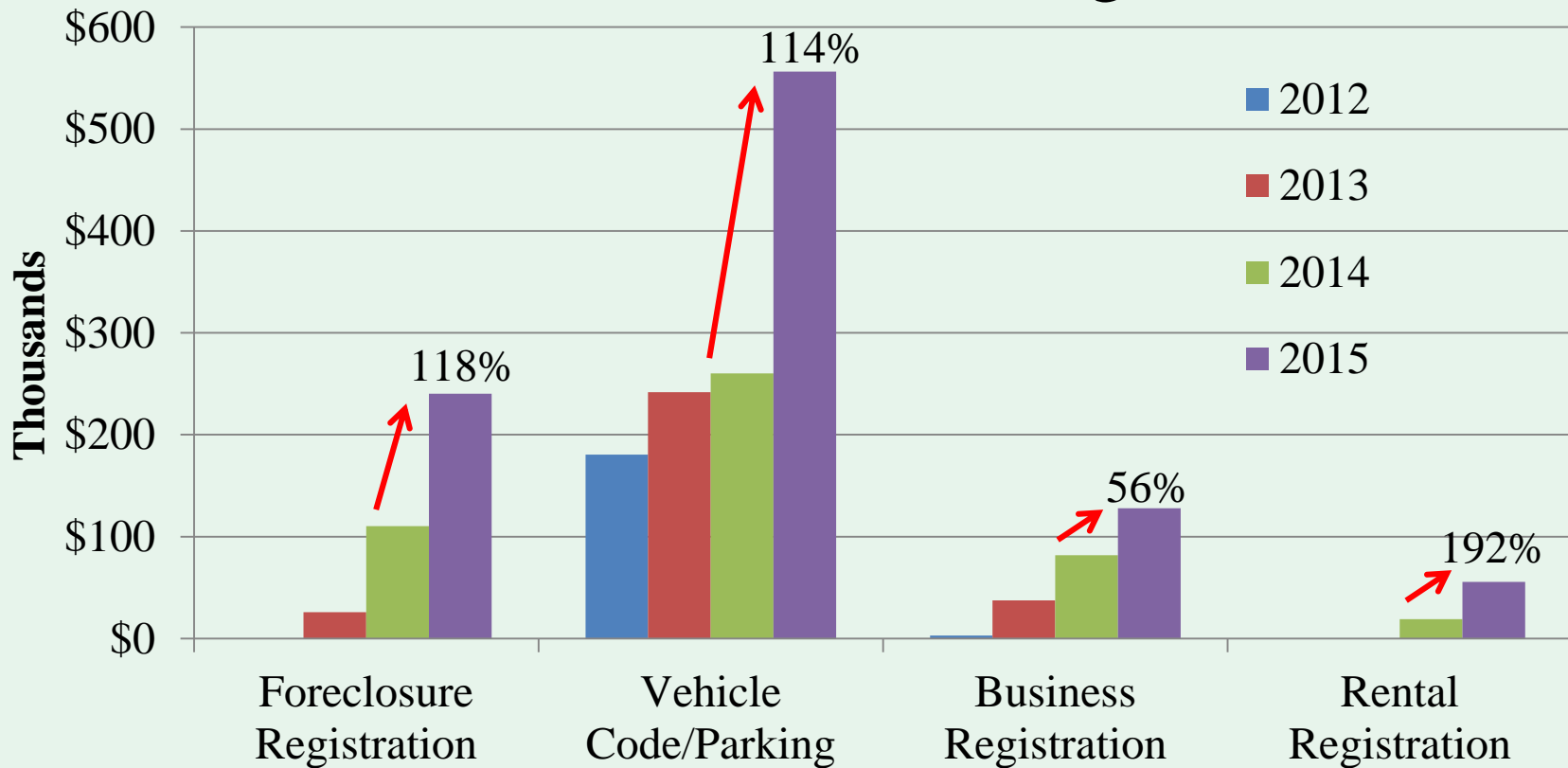
*In order to capture tax, sales must have a physical point of origin within City limits



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Current Fiscal Situation

Revenue from New/Modified Programs:



Current Fiscal Situation

Fiscal Year 2015/16 Estimates

General Fund Expenditures

- Expenditures unrestricted, must serve public purpose

Where the Money Goes



Police
\$6.8 mil
38%



Fire
\$5.7 mil
32%



Community
Development
\$3.3 mil
18%



Administration
\$2.3 mil
12%

**Total Public Safety
70%**

General Funds Expenditures = \$18,200,951

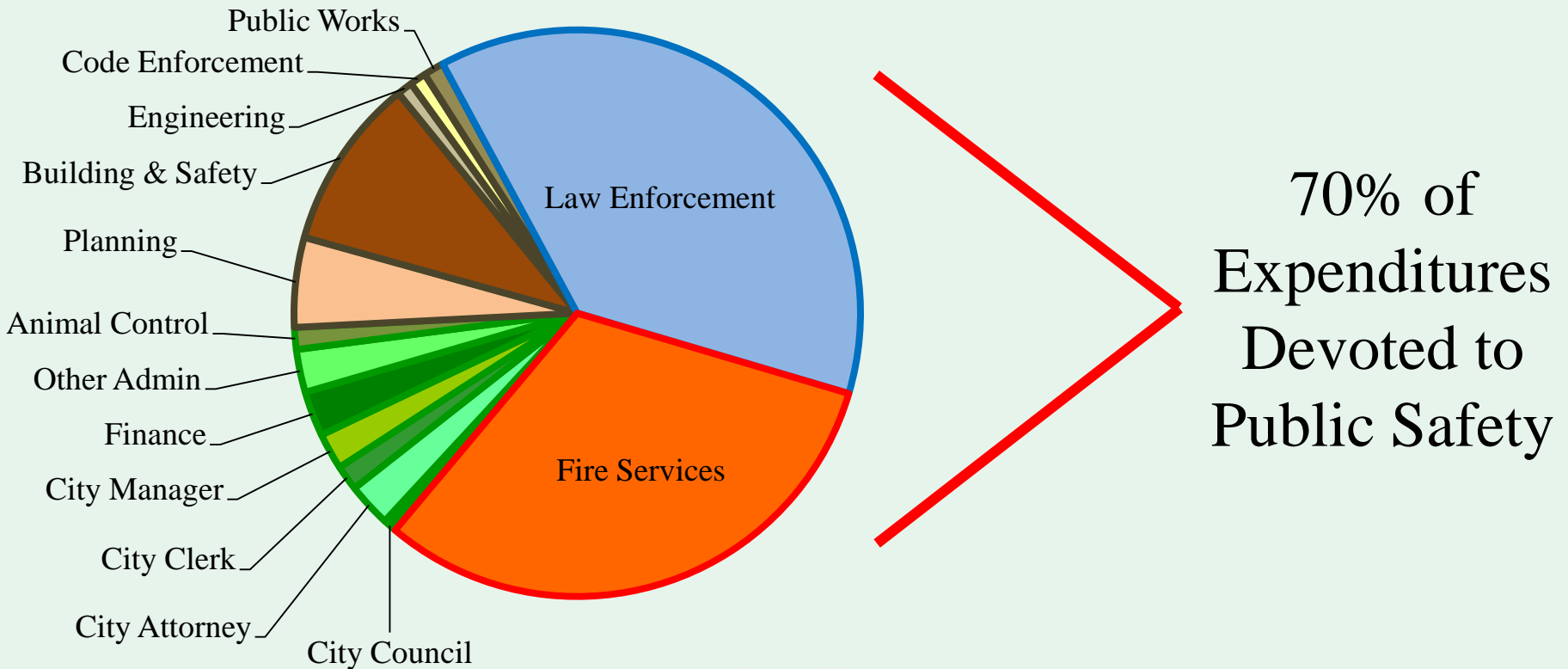


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Current Fiscal Situation

Fiscal Year 2015/16 Estimates

General Fund Expenditures



Current Fiscal Situation

Fiscal Year 2015/16 Estimates

Police Department (38% of General Fund):

- Operating Budget = \$6,962,221
- Total Staffing = 26 positions
 - 80 service hours a day
 - 23 Sworn Officers & 2 CSOs
 - Added Motorcycle officer
- Estimated 7% increase over prior year actual costs



Current Fiscal Situation

Fiscal Year 2015/16 Estimates

Fire Department (32% of General Fund):

- Operating Budget = \$3,251,110
- Funding comes from Fire Structural Tax
 - (6.30% property tax allocation factor)
- Staffing
 - 5 positions/shift
 - Total Staff = 15
- Added paramedic squad
- Calls for service = 2,750 (up 39% from 2011)
- Estimated operating increase = 13% from prior year





CITY OF EASTVALE

Financial Forecast

March 9, 2015



Financial Forecast

Projections - Fiscal Year 2016/17 & Beyond

- Projections based on historical trends and current economic conditions
- Serves as a long-range planning tool
 - Alerts decision makers early to course correct if trends indicate financial concerns
- How will the City invest its resources and fund future operations, programs, and services?



Financial Forecast

Projections - Fiscal Year 2016/17 & Beyond

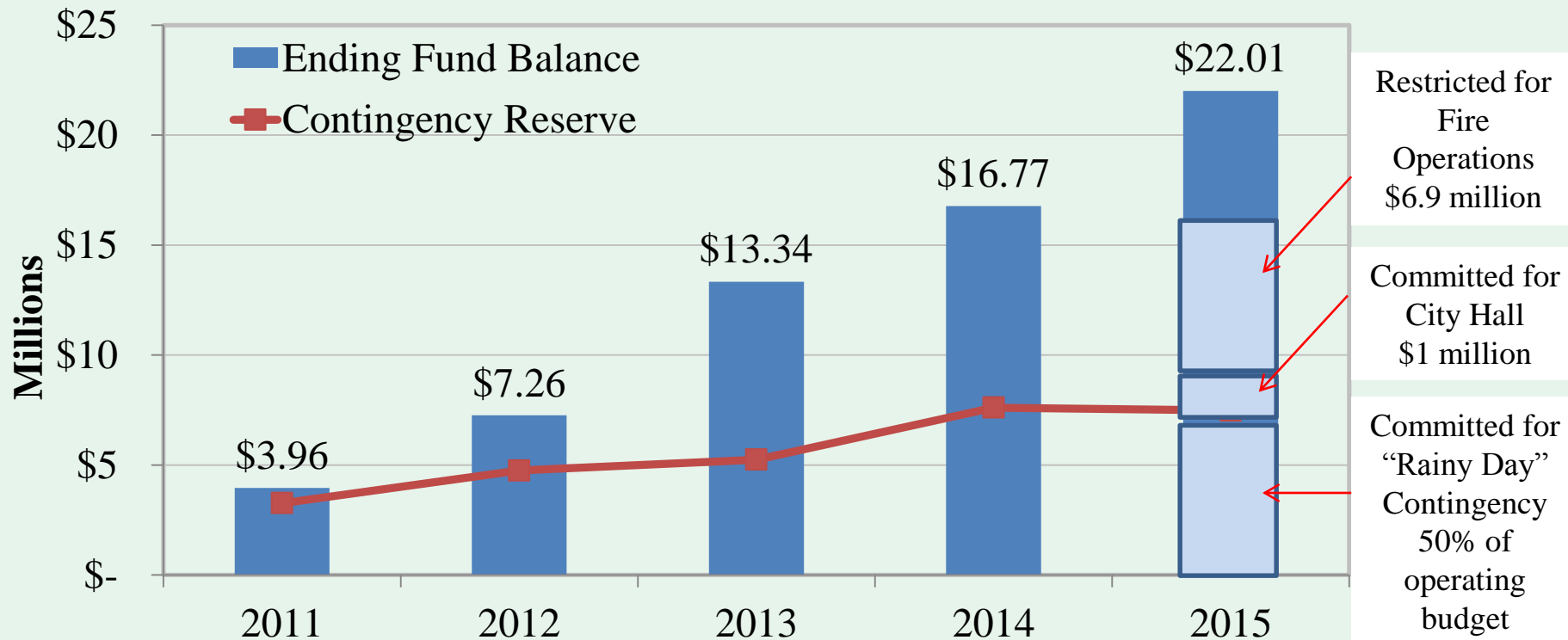
- GASB 54 Fund Balance Classifications
 - Restricted
 - Stipulated by outside sources (fire property tax)
 - Committed
 - Formal action (emergency contingency, budget stabilization, public safety stabilization, City Hall construction)
 - Assigned
 - Unassigned



Financial Forecast

Investing in the Future

General Funds – Committed Reserves



Financial Forecast

Projections - Fiscal Year 2016/17 & Beyond

Fund Equity

The City has established certain fund balance designations to report the amounts in the following funds, which represent available spendable resources restricted, committed or assigned for a specific purpose:

	General Fund	Major Special Revenue Fund Gas Tax Fund	Non-Major Governmental Funds	Total
Fund Balances				
Restricted For:				
Street Maintenance/Projects	\$ -	\$ 5,783,498	\$ 3,176,595	\$ 8,960,093
Landscape Maintenance	-	-	991,523	991,523
AQMD Projects	-	-	132,594	132,594
Capital Projects City Facilities	-	-	3,333,014	3,333,014
Fire Operations/Improvements	6,918,242	-	-	6,918,242
Other Purposes	-	-	33,188	33,188
Total Restricted	6,918,242	5,783,498	7,666,914	20,368,654
Committed for:				
Emergency Contingency	6,179,200	-	-	6,179,200
City Hall Facility	1,000,000	-	-	1,000,000
Total Committed	7,179,200	-	-	7,179,200
Unassigned	7,917,025	-	(39,353)	7,877,672
Total	\$ 22,014,467	\$ 5,783,498	\$ 7,627,561	\$ 35,425,526

Financial Forecast

Investing in the Future

<u>Long-term Projects/Added Service</u>	<u>Funding Source</u>	<u>Total Cost</u>	<u>Impact to City</u>
I-15 Interchange	Measure A	\$45 million	Unknown
Hamner Bridge (Norco is lead City)	Measure A	\$56 million	\$249,000 EIR/ Local match up to \$3.6 million
Civic Center (City Hall/Library)	Various	\$16-\$19 million	Depends on grant funding/land exchange
Emergency Operations Center	TBD	\$875,000	Depends on grant funding
Limonite Connection to Kimball	TUMF	Unknown	-\$0-
Add 10 Patrol Hours per Day	General Fund	\$577,000	\$577,000
Add Motor Officer	General Fund	\$318,000	\$318,000
Add Medic Squad	General Fund	\$710,000	\$710,000
Add Medic Engine	General Fund	\$1.1 million	\$1.1 million

Financial Forecast

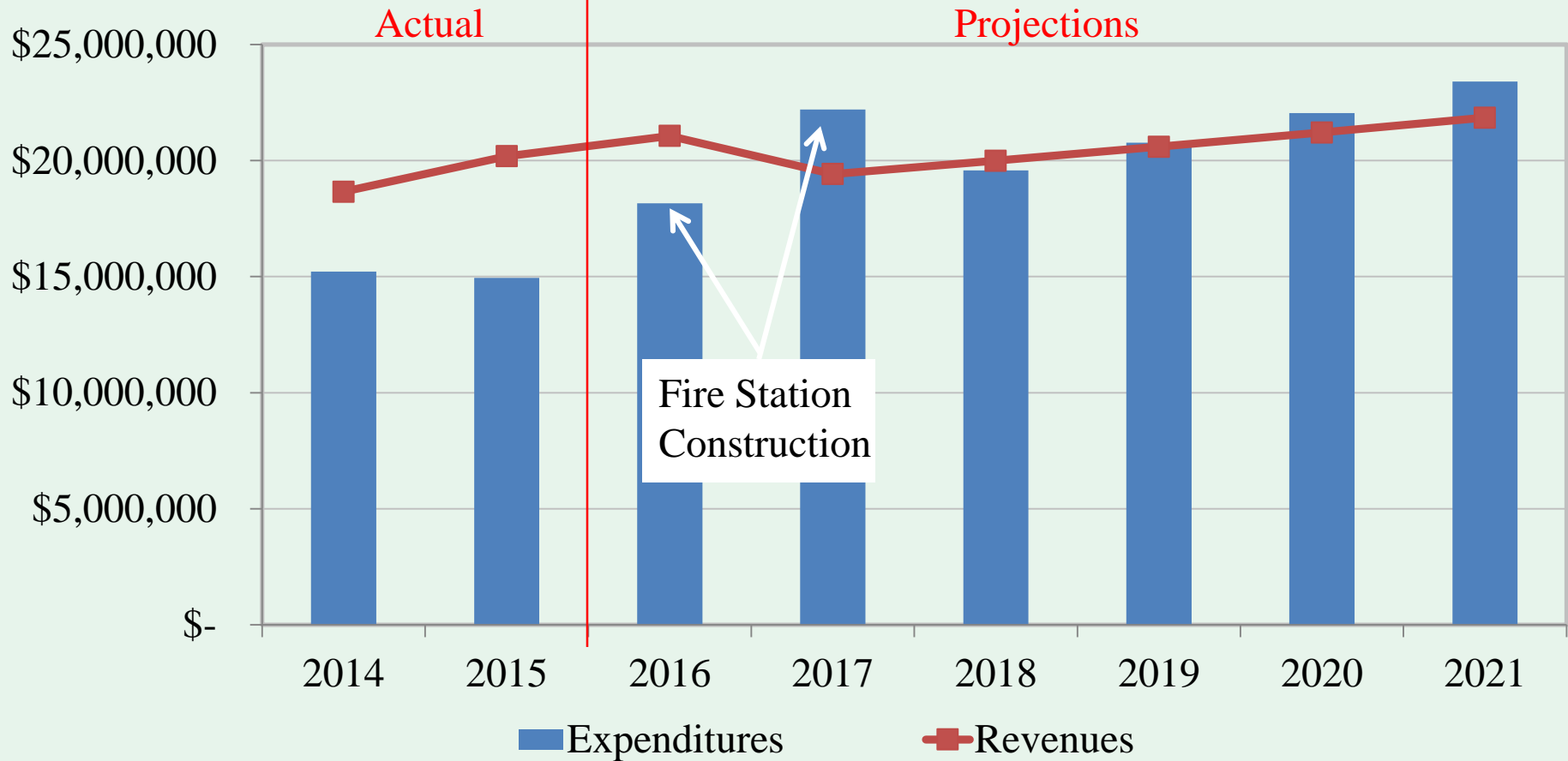
Projections - Fiscal Year 2016/17 & Beyond

- Status Quo services
 - No additional programs/services
- Assumptions:
 - No additional personnel
 - Includes projected cost increase
 - Police & Fire 6% per year
 - Non-safety 3% per year
 - Realistic Revenue Growth 3% per year



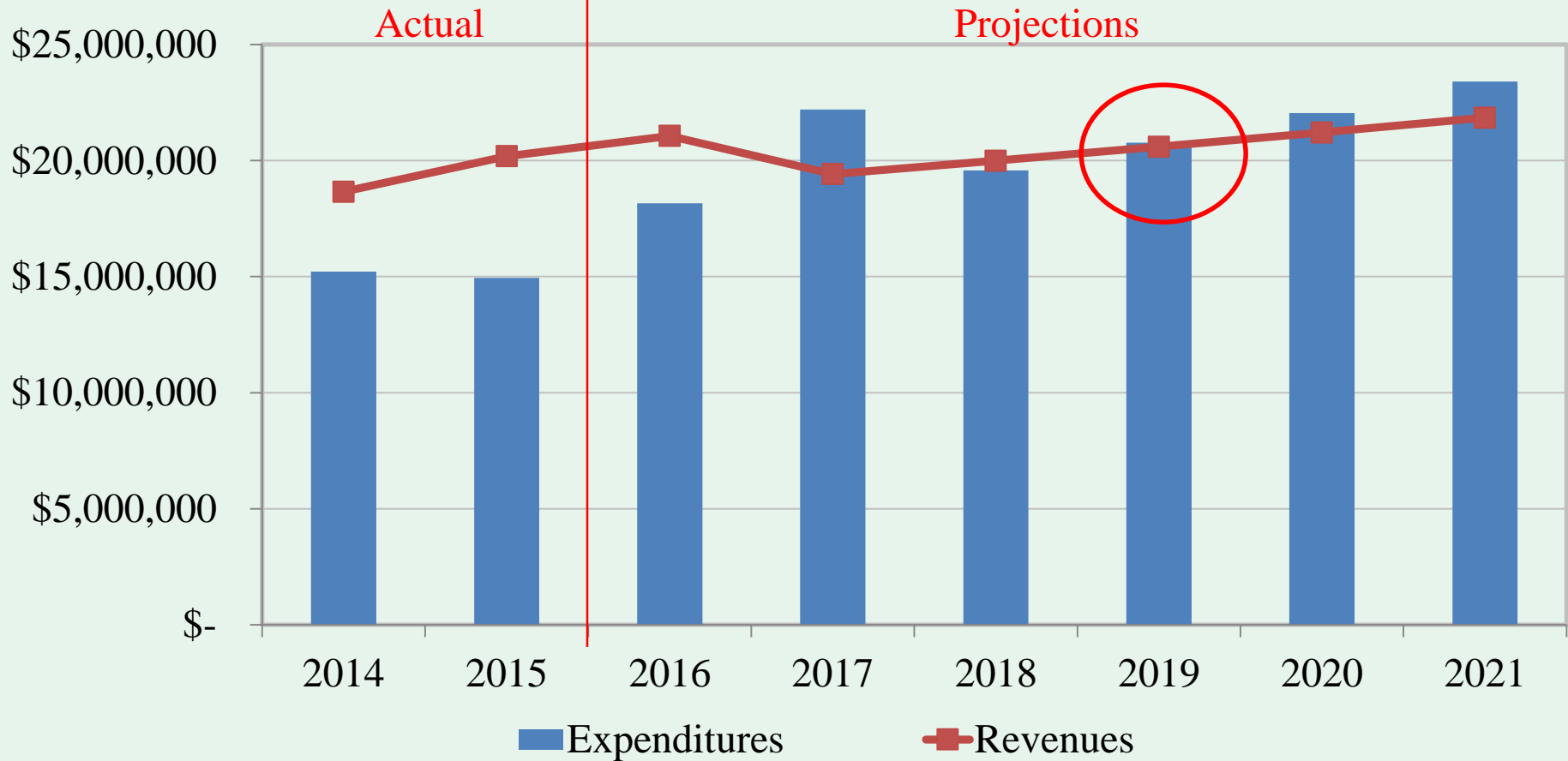
Financial Forecast

General Fund 5-year Projections



Financial Forecast

General Fund 5-year Projections



CITY OF EASTVALE

Financial Forecast

Additional Considerations

- Rising public safety costs
- Water restrictions
- Aging infrastructure
- Population growth
- Impacts from major development projects
- Construction of new City Hall & Library



Financial Forecast

Balancing Future Budgets

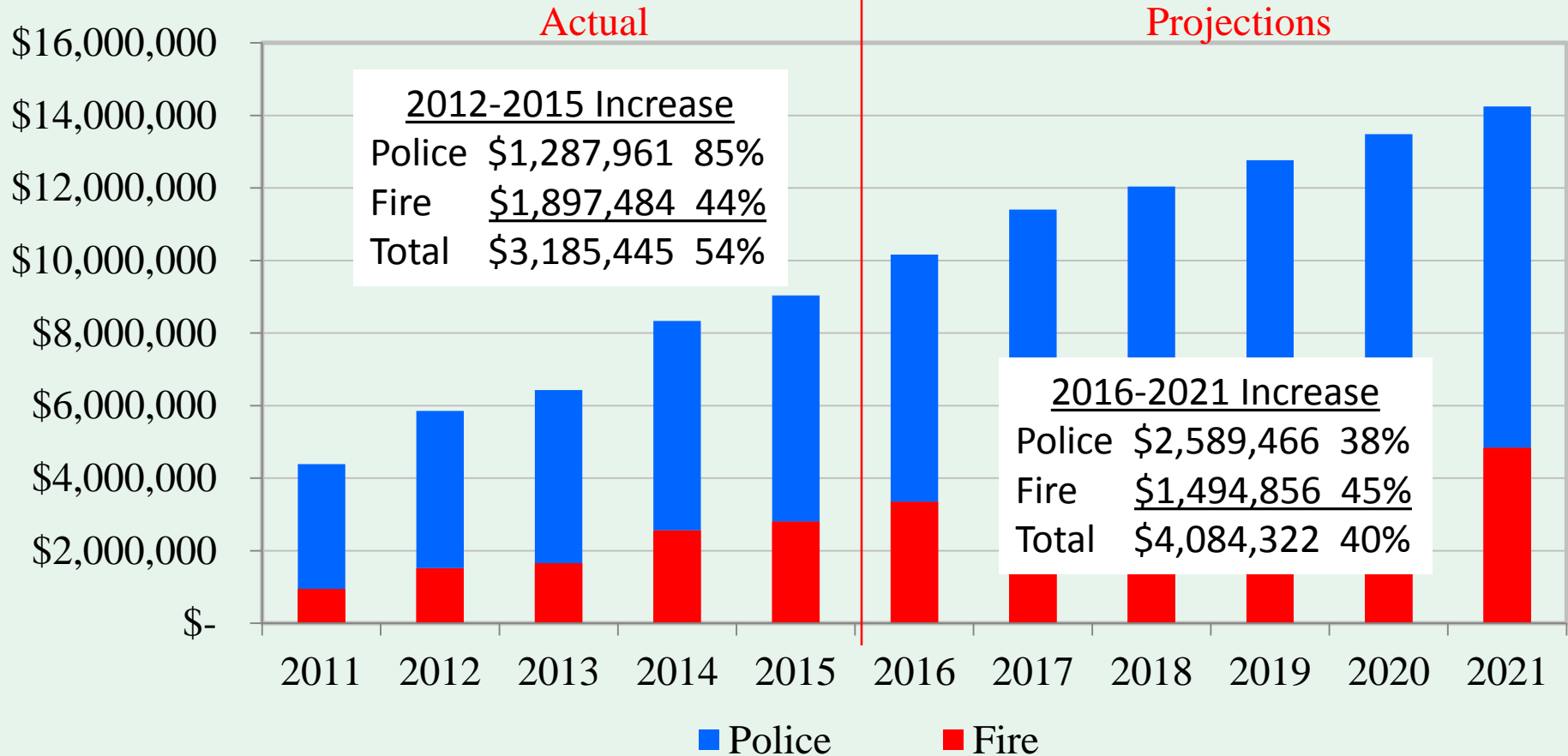


- **Increase revenues** to keep pace with expenditure growth
 - Update fee study to ensure cost recovery of services
 - Optimize economic development potential for increase sales tax
 - Explore grant funding opportunities (grant writer)
 - Utility users tax (must be voter approved)
- **Decrease expenditures** to fit within available revenues
 - Reduce non-essential services
 - Reduce staffing levels at City Hall
 - Cut sworn officer positions & reduce fire staffing
 - Explore alternatives to public safety contracts



Financial Forecast

Public Safety Expenditure Trends





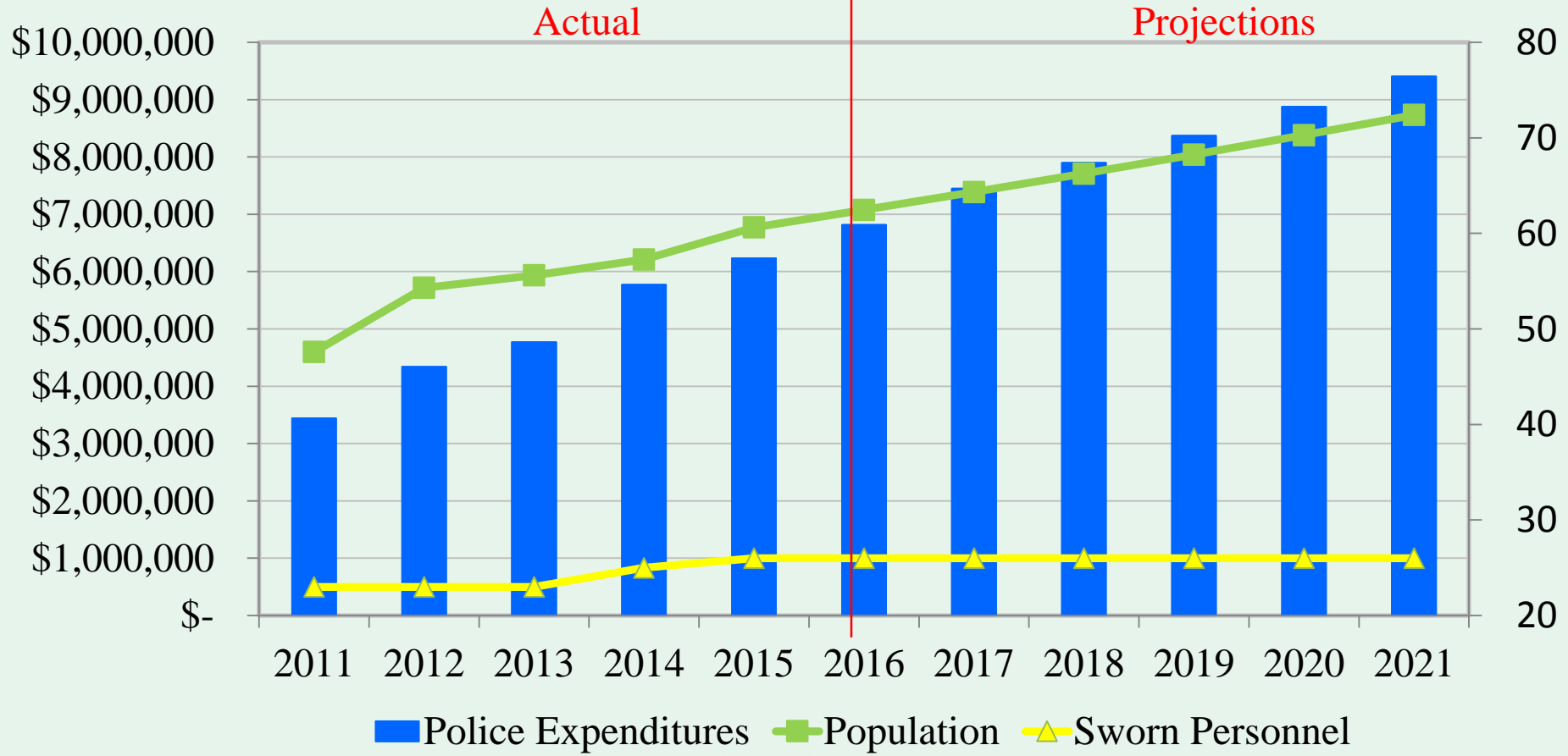
CITY OF EASTVALE

Public Safety

March 9, 2015



Public Safety Police Department



Public Safety Police Department



Service Level/Personnel	2011	2015
Hours per Day	70	80
Patrol Deputies	14	16
Sergeants	2	2
Investigators	2	2
Traffic deputies	2	2
Traffic deputy (motor)	0	1
SET (Zone) deputies	2	2
Lieutenant	1	1
Total Sworn Personnel	23	26



Public Safety Police Department

Service Level/Personnel	2011	2015	%Change
Population	47,581	60,633	27%
Hours per day	70	80	14%
Calls for Service	19,604	26,556	35%
Sworn Personnel	23	26	13%

- Increase 10 contract hours/day = \$577,000/yr
- Adding Motor Officer = \$318,000/yr
 - 1st year higher due to one-time start up costs (training, uniforms)

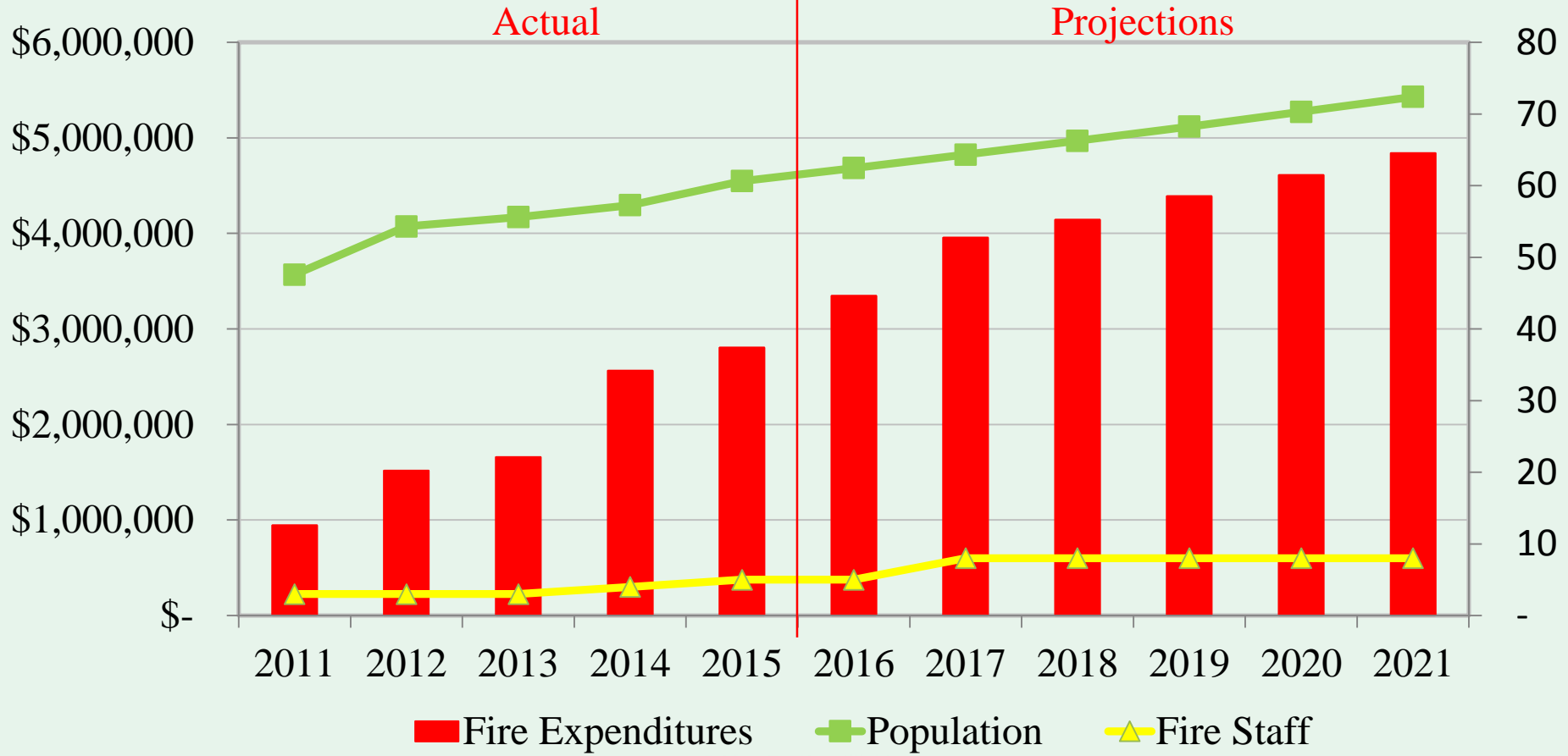


Public Safety Police Department

- Considerations for Increased Staffing
 - Reduced Crime
 - Enhanced customer service
 - Faster response times
 - More follow-up investigation on patrol level
 - Enhanced safety
 - Increased community outreach



Public Safety Fire Department



Public Safety Fire Department



Service Level/Personnel	2011	2015
Fire Station	1	1
Fire Captain	1	1
Fire Apparatus Engineer	1	1
Fire Engineer Medic	0	1
Fire Fighter 2 Paramedic	1	2
Fire Safety Specialist	0	.5
Fire Systems Inspector	0	.5
Fire Staff/Shift	3	6
Total Fire Staff	6	15



Public Safety Fire Department

Service Level/Personnel	2011	2015	%Change
Population	47,581	60,633	27%
Calls for Service	1,976	2,750	39%
Arrival on Scene in under 5 minutes	98.4%	99.1%	
Fire Staff/Shift	3	6	100%
Total Fire Staff	6	15	

- Add Medic Squad = \$710,000/yr
- Cost to staff Medic Engine = \$1.1 million/yr

Public Safety Fire Department

- Considerations for Increased Staffing
 - Calls for service continue to rise with population
 - Faster response times
 - Enhanced safety
 - Greater community outreach





CITY OF EASTVALE

Prioritization of Services

March 9, 2015



Prioritization of Services

- High quality of life = balance of services



Police



Fire



Public Works



Building & Safety



Code Enforcement



Planning



Prioritization of Services

- Discussion:
 - Are current service levels satisfactory?
 - Is the City meeting community demands?
 - Can city sustain level of services with increasing costs?
 - Are strategic plan objectives being achieved?
 - How should the City invest in the future?
 - Continue saving for a rainy day, construct civic center, infrastructure, new services, public safety

